HOUSE BILL 1359
By Niceley

SENATE BILL 1700

By Overbey

AN ACT to amend Tennessee Code Annotated, Title 56, relative to health insurance benefits for prosthetic and orthotic devices.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 26, is amended by adding the following as a new, appropriately designated section:

Section 56-7-2607.

(a) All individual and group health insurance policies providing coverage on an expense-incurred basis, individual and group service contracts issued by a health maintenance organization, self-insured group arrangements to the extent not preempted by federal law, and managed health care delivery entities of any type or description, that are delivered or issued in this state on or after January 1, 2010, shall include, or shall offer to prospective policyholders and existing policyholders on renewal, as a benefit, coverage for prosthetic devices as described in § 63-3-201 under a policy or contract of insurance if the devices are fitted and dispensed by a practitioner licensed under title 63 within the practitioner's scope of practice and acting under a prescription issued by a licensed medical practitioner authorized to issue such prescriptions.

(b) Coverage for prosthetic devices in all health plans included or offered pursuant to subsection (a) shall, at a minimum, equal the coverage and payment for prosthetic devices provided under federal laws and regulations for the aged and disabled pursuant to 42 U.S.C. §§ 1395(k), 1395(1) and 1395(m), and 42 C.F.R. §§ 414.202, 414.210, 414.228 and 410.100, unless another reimbursement rate is negotiated between the carrier and providers. Covered benefits must be provided for a prosthetic device

determined by the enrollee's provider to be the most appropriate model that adequately meets the medical necessity of the enrollee.

(c) A carrier may require prior authorization for prosthetic devices in the same manner as prior authorization is required for any other covered benefit.

(d) Coverage under this section must also be provided for repair or replacement of a prosthetic device if repair or replacement is determined to be a medical necessity by the enrollee's provider.

(e) If coverage under this section is provided through a managed care plan, a carrier may require that prosthetic services be rendered by a provider who contracts with the carrier and that a prosthetic device be provided by a vendor designated by the carrier; provided, however, an enrollee may chose a licensed provider of prosthetic devices that agrees to accept payment under the same negotiated terms as providers so designated by the carrier.

SECTION 2. The requirements of this act apply to all policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this state on or after January 1, 2010. For purposes of this act, all contracts are deemed to be renewed no later than the next yearly anniversary of the contract date.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it.